



# **INTERNAL AUDIT CONTROLS EVALUATION FACILITIES MANAGEMENT**

December 3, 2001

Roanoke City Council Audit Committee  
Roanoke, Virginia

We have completed an audit of the custodial services area of Facilities Management. Our audit was performed in accordance with generally accepted government auditing standards.

## **BACKGROUND**

The custodial services area has the responsibility to maintain established standards of cleanliness for approximately 700,000 square feet of City owned buildings. City staff clean approximately 600,000 square feet, with the remaining areas maintained by a private cleaning firm. Custodial Services operates on a budget of slightly over one million dollars, with approximately 75 percent attributed to employee salaries. The department employs 29 employees working at various levels. Three supervisors have the responsibility of overseeing 26 custodial staff, six of which are titled custodian II. Custodian II employees act as foremen to the 20 custodian I employees and generally there is one custodian II assigned to each of the six major buildings cleaned by City staff.

The custodial staff works in two shifts with the majority working at night. A skeleton crew is maintained during the day to handle routine cleaning activities and special cleaning requests. Buildings with controlled access, such as the Police department and Judges' chambers, are cleaned by the day shift while other city offices are cleaned at night. In addition to custodial duties, three employees also provide after hours security at the Public Works Service Center.

## **PURPOSE**

The purpose of this audit was to evaluate the system of controls in place to ensure:

- Custodial services are provided in an effective and efficient manner
- Custodial service contracts are properly managed
- Compliance with selected OSHA standards

## **SCOPE**

Our audit evaluated controls, policies, and procedures in place as of September 1, 2001. Our test work primarily focused on data from July 1, 2000, thru September 30, 2001.

**METHODOLOGY**

We conducted this audit using standard auditing procedures for evaluating controls. This included interviewing custodial personnel, observing facilities and reviewing applicable policies and procedures. We surveyed selected customers in order to gain an understanding of custodial performance. Sampling was performed on a non-statistical basis due to data configuration and accessibility.

**RESULTS****Finding 01**

Custodial services are not satisfying the expectations of customers or departmental management. We found that the custodial duties were poorly communicated and that performance was not satisfactorily monitored. Daily reports used to monitor performance do not match with custodial duties defined by management. Daily reports are not consistently completed and are not signed-off to show that they were reviewed with the custodian. Custodial employees are trained on the job and are not given any written guidelines as to what is to be done on a daily, weekly, monthly, etc. basis. The Facilities Management department does not belong to any industry association for janitorial or housekeeping services. Job descriptions for custodian I and custodian II positions are poorly defined and virtually identical. The lack of distinction between positions is a missed opportunity to promote employee development and promotion. Management does not log complaints and does not currently survey customers, although they did include survey plans in the department's strategic business plan.

**Recommendation 01**

- Define the appropriate level of custodial service that should be provided based on customer input and industry standards. Once established, publicize to all customers.
- Develop a checklist for custodians listing each job to be completed. Custodians should check off as each job is done and submit to supervisors.
- Supervisors should perform spot inspections of custodians' work using the checklist. The Supervisors should document their assessment of the custodian's performance and the feedback provided to the custodian, in writing, on the custodian's original checklist.
- Facilities Management should join the International Executive Housekeepers Association or another industry association that can serve as an information resource for management and employees. Facilities Management should encourage employees to pursue certification and provide incentives for improving competency by revising job descriptions to provide clear steps needed for promotion.

**Management's Response 01**

Utilizing the assistance of Human Resources and the Office of Management and Budget, job descriptions and tasks for custodial staff will be reviewed and revised as needed. Reports that detail the performance standards of quality will be modified to reflect customer expectations. Effort will be made to contact trade organizations and research the potential of a certification program. [Target date: 05/01/02]

---

**Finding 02**

Neither the vendor nor the City can locate a 1993 contract for professional cleaning services under which the City paid \$60,800 in fiscal year 2001. Facilities Management and the vendor informally agreed to additional cleaning services, effective July 1, 2001, and continuing for a guaranteed three months and on a month-to-month basis thereafter. Approximately \$14,500 per month is currently being paid to the vendor. This is a contract in excess of \$43,500 that was not bid or properly approved. This increases the risk that the City will pay above market rates for services; it increases the risk that the desired level of services will not be provided since there are no specifications against which to evaluate performance; and it increases the risk that the City will not be properly protected against liability resulting from the actions of the contracted service provider.

**Recommendation 02**

Facilities Management should prepare an RFP with detailed specifications, including square footages based on site reviews (not engineering estimates and blueprints). A written contract should be completed and approved according to City policy. Risk Management should review the proposed contract to ensure liability and insurance concerns are addressed. If possible, Facilities Management should enter the contract as a service contract on the purchasing system to encumber the expected costs. A copy of the contract should be on file in the City Clerk's office and in Facilities Management. Facilities Management should monitor vendor performance against terms of the contract on a regular basis to ensure the City receives the level of service for which it is paying.

**Management's Response 02**

Contract documents will be prepared and competitively bid in accordance with City procurement rules and regulations. Appropriate City departments will be invited to review and revise the specifications and requirements for the cleaning of all contracted facilities. [Target date: 01/01/02]

---

**Finding 03**

Facilities Management does not maintain any record of custodial equipment owned by the City. This is primarily due to the perception that the \$5,000 capitalization threshold set by Finance applies to departmental asset records. Valuable assets such as industrial quality buffers and vacuums fall under this \$5,000 threshold. Assets of this nature are not adequately safeguarded if records of their existence are not maintained.

**Recommendation 03**

Maintain a database for all equipment items costing more than \$250 with expected useful lives of more than one year.

**Management's Response 03**

Itemized inventory records for existing and new equipment with a value exceeding \$250 will be prepared and maintained in an effort to systematically document and care for the custodial tools. [Target date: 02/01/02]

---

**Finding 04**

Supplies are not adequately organized in the central storerooms at each building. Access to the storerooms is limited, however, supervisors do not maintain any record of supplies received, issued or on hand. Supply usage is not monitored on any basis other than an annual budgetary basis.

**Recommendation 04**

Facilities Management should develop and communicate detailed procedures for managing supplies:

- Inventory in central supply areas of each building should be organized by labeling bins and shelves to show the items belonging in each area.
- Stocking levels (minimum and maximum) should be established and maintained. Levels should be reevaluated on a regular basis and adjusted as needed.
- Management should review report CAB0705 "Cost Accounting by Location" on a monthly basis to evaluate the reasonableness of supplies usage.

**Management's Response 04**

A method as recommended by auditing will be established to track the stocking and distribution of consumable products and supplies, by location on a regular basis. [Target date: 3/01/02]

---

**Finding 05**

Two OSHA regulations have not been fully adhered to:

- Three employees did not receive training in compliance with OSHA regulations.
- Material Safety Datasheets (MSDS) were not present for two of five chemicals sampled. Additionally, it was noted that MSDS are kept in a location not readily accessible to the majority of custodial employees.

This increases the risk that employees will mishandle chemicals causing a hazardous condition for themselves or for others in the building.

### **Recommendation 05**

Facilities Management should work with Risk Management to coordinate more frequent training of employees. Facilities Management should develop a minimal training program that meets OSHA standards and that can be administered on an employee's first day by a Facilities Management staff person. Facilities Management should keep an updated copy of all material safety data sheets on-site in the municipal complex where they are accessible to all custodial employees. Assign one or two employees to update the sheets as new chemicals are procured.

### **Management's Response 05**

Custodial Services will work with Risk Management to ensure that required safety training for staff is accomplished in a timely manner. Copies of Material Safety Datasheets for chemicals used by staff will be located in an easily accessible location. Custodian Supervisors will be responsible for keeping MSDS documents current.  
[Target date: 12/01/01]

### **CONCLUSION**

Based on the results of the audit, we conclude that the system of internal controls is not sufficient to adequately ensure custodial services are provided in an effective and efficient manner, or that custodial service contracts are properly managed, or that the department complies with OSHA standards.

We would like to thank the management of Facilities Management and the custodial staff for their cooperation and assistance during the audit.

---

Brian M. Garber  
Auditor

---

Kevin Nicholson, CPA  
Senior Auditor

---

Drew Harmon, CPA, CIA  
Municipal Auditor